

J381gals

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

4 v.

16 Cr. 371 (RA)

5 JOHN GALANIS,

6 Defendant.

Sentencing

7 -----x

8 New York, N.Y.

9 March 8, 2019

11:47 a.m.

10 Before:

11 HON. RONNIE ABRAMS,

12 District Judge

13
14 APPEARANCES

15 GEOFFREY S. BERMAN

16 United States Attorney for the
17 Southern District of New York

18 BY: NEGAR TEKEEI

19 BRENDAN F. QUIGLEY

20 Assistant United States Attorneys

21 PELUSO & TOUGER

22 Attorneys for Defendant

23 BY: DAVID TOUGER, ESQ.

24 MORVILLO ABRAMOWITZ GRAND IASON & ANELLO PC

25 Attorneys for Defendant

BY: PAUL R. GRAND, ESQ.

ALSO PRESENT: SHANNON BIENIEK, Special Agent, FBI

J381gals

(Case called)

THE COURT: Good morning, everybody.

So I understand, just before your appearances, that we're getting another set of headsets for Mr. Galanis. Can we get started, do you think?

MR. TOUGER: Sure.

THE COURT: All right. So please state your appearances. Good morning.

MS. TEKEEI: Thank you, your Honor. Good morning. Negar Tekeei and Brendan Quigley on behalf of the United States, and joining us at counsel's table is Special Agent Shannon Bieniek with the FBI.

THE COURT: All right. Good morning.

MR. TOUGER: Good morning, your Honor. David Touger, T-O-U-G-E-R, for Mr. Galanis, and it's my honor to have at the table Mr. Grand, Paul Grand.

THE COURT: All right. Good morning to all of you. Good morning, Mr. Galanis.

THE DEFENDANT: Good morning.

THE COURT: Mr. Galanis, if you're having trouble hearing anything, just raise your hand, all right?

THE DEFENDANT: Thank you, your Honor. I will.

THE COURT: Okay. This matter is on for sentencing.

Mr. Galanis was found guilty in June of conspiracy to commit securities fraud and securities fraud. I denied his

J381gals

1 request for a new trial in a memorandum opinion and order dated
2 November 15, 2018.

3 In connection with today's proceeding, I've reviewed
4 the following submissions: The presentence investigation
5 report revised as of October 1st of 2018; Mr. Galanis's
6 sentencing memorandum dated January 3rd, with accompanying
7 exhibits; and I also have his prior sentencing memorandum in
8 the Gerova case as well; and the government's sentencing
9 memorandum dated January 9th. Have the parties received each
10 of these submissions? Am I missing anything?

11 MS. TEKEEI: We have, your Honor, and you're not
12 missing anything as far as the government is aware.

13 THE COURT: Right. And today I see that you've also
14 submitted a proposed order of restitution and preliminary order
15 of forfeiture money judgment, correct?

16 MS. TEKEEI: Yes, your Honor, that's correct, and we
17 provided copies to Mr. Touger as well.

18 THE COURT: Thank you.

19 Mr. Touger?

20 MR. TOUGER: You have everything that we have
21 submitted, your Honor.

22 THE COURT: All right. Thank you.

23 So why don't we begin by discussing the presentence
24 report, which, as you know, is prepared by the probation
25 office.

J381gals

1 Mr. Touger, have you reviewed the presentence report
2 with your client?

3 MR. TOUGER: Yes, I have, your Honor.

4 THE COURT: Do you have any remaining objections? I
5 know you made a number to the probation department directly and
6 some changes were made. Do you want to tell me if there are
7 any that remain from your perspective.

8 MR. TOUGER: The only additional ones are the ones we
9 brought up in the sentencing memo that you have before you.

10 THE COURT: With respect to loss amount and number of
11 victims?

12 MR. TOUGER: Yes.

13 THE COURT: Okay. So let me ask --

14 (Defendant conferring with his counsel)

15 MR. TOUGER: The only thing, your Honor, just to
16 complete it, in the Prior Crimes section, there is a Canadian
17 case that they have left sort of open.

18 THE COURT: Right.

19 MR. TOUGER: That case has been dismissed, as has the
20 New York case that they left open. Both those cases have been
21 dismissed. I don't know why they left them open. I don't
22 think it matters much as far as calculations, but if they want
23 it to be --

24 THE COURT: Does the government contest that? Is
25 there any objection to noting that those cases were dismissed?

J381gals

1 MS. TEKEEI: We have no objection to noting that
2 that's what counsel has conveyed to the Court. I don't have
3 information about the Canadian case, but as it doesn't affect
4 his criminal history category, we have no objection to noting
5 that for the record.

6 THE COURT: Okay. So we'll note that. I mean, right
7 now, in the last sentence of paragraph 98, it reads -- oh,
8 sorry. That was Connecticut. Hold on.

9 Yes, that still relates to the Canadian matter.

10 MR. TOUGER: Yes.

11 THE COURT: It says, "It is unclear whether the
12 defendant was ever extradited to Canada in connection with this
13 case or if the case was dismissed." Should we just revise that
14 line to read that Mr. Galanis was never extradited to Canada
15 and defense counsel has represented that the case was
16 dismissed?

17 MR. TOUGER: That's fine, your Honor.

18 THE COURT: Okay. So that will be the last line of
19 paragraph 98.

20 And is there another change you wanted to make with
21 respect to the arrests for which there was no conviction?

22 MR. TOUGER: If you look at No. 101 --

23 THE COURT: Yes.

24 MR. TOUGER: -- that's the New York case I was
25 speaking of.

J381gals

1 THE COURT: All right. So I'll add a line at the end
2 of 101 as well saying defense counsel has represented that this
3 case was dismissed. Is that right, Mr. Touger? Can you
4 represent that?

5 MR. TOUGER: It kind of says that in the report,
6 because if you read it, it says the case was superseded by
7 another indictment. So it was dismissed.

8 THE COURT: Okay. So do you think we need to add
9 anything or do you think it's fine the way it is?

10 MR. TOUGER: I think we should, your Honor, just so
11 it's clear.

12 THE COURT: All right. So I'll add that line.

13 All right. I'll make those changes.

14 Mr. Galanis, have you had enough time and opportunity
15 to review the presentence report and discuss it with your
16 attorney?

17 THE DEFENDANT: I have, your Honor.

18 THE COURT: All right. Does the government have any
19 objections? And I'll of course get to the substantive
20 objections.

21 MR. TOUGER: Let me ask Mr. Galanis one more question.

22 THE COURT: Yes, sure. Go ahead.

23 (Mr. Touger conferring with the defendant)

24 MR. TOUGER: I guess we're going to try out the new
25 equipment.

J381gals

1 THE COURT: Okay.

2 Does the government have any objections to the
3 presentence report?

4 MS. TEKEEI: No, your Honor.

5 THE COURT: Okay. All right. So first of all, I'll
6 just note that I'm going to adopt the factual findings in the
7 report. The presentence report will be made a part of the
8 record in this matter and placed under seal. If an appeal is
9 taken, counsel on appeal may have access to the sealed report
10 without further application to the Court.

11 Now, Mr. Galanis, as you're well aware, the federal
12 Sentencing Guidelines are a set of rules that are published by
13 the United States Sentencing Commission, and they're designed
14 to guide judges. Although at one time they were mandatory,
15 they're no longer mandatory, but judges must nonetheless
16 consider the guidelines, and so we have to ensure that we have
17 the calculated them properly.

18 I understand that you have three objections to the
19 guidelines calculation. One relates to loss amount, one
20 relates to the number of victims, and one relates to criminal
21 history. Is that correct?

22 MR. TOUGER: That's correct, your Honor.

23 THE COURT: All right. Do you want to be heard
24 further on those?

25 MR. TOUGER: No, your Honor. I think the memo

J381gals

1 outlines the argument.

2 THE COURT: Okay. So with regard to the amount of
3 loss, it seems clear to me that the loss caused by
4 Mr. Galanis's offense of conviction exceeded \$25 million and
5 that a 22-level enhancement for loss amount in this case is
6 entirely appropriate.

7 As I understand it, Mr. Galanis principally argues
8 that he should not be held responsible for the loss amount
9 suffered by the WLCC through its issuance of the bonds and the
10 Hughes and Atlantic clients' subsequent investments in these
11 instruments. This is because, according to Mr. Galanis, he did
12 not knowingly engage in fraud in soliciting the WLCC bonds and
13 he understood that the \$2.35 million that he received for the
14 execution of this deal was a legitimate commission for his
15 services.

16 I disagree. As an initial matter, these arguments
17 were not only rejected by a jury but, as Mr. Galanis appears to
18 acknowledge, were also rejected by this Court in its Rule 29
19 decision. As I made clear in that decision, the evidence
20 presented at trial established that Mr. Galanis made material
21 misrepresentations to members of the WLCC tribe to influence
22 them to issue the bonds at the heart of this case. Among these
23 misrepresentations were Mr. Galanis's statements to the WLCC
24 representatives that: (1) Jason Galanis worked at Burnham,
25 which in his sentencing memo Mr. Galanis concedes was

J381gals

1 objectively untrue; and (2) that the proceeds of the bond
2 offerings would be placed in an annuity on its behalf when in
3 fact no such annuity even existed. Furthermore, Mr. Galanis
4 does not dispute that the \$2.35 million payment was not
5 provided for in the schedule setting forth the payments of
6 expenses owed at closing, which would have been reported had
7 his been a legitimate commission for the execution of the bond
8 deal. In response, Mr. Galanis now contends, for the first
9 time, that this supposed commission was not disclosed in the
10 schedule because he believed that it was not being paid from
11 the bond proceeds but by the company Wealth-Assurance because
12 that is who he was helping. But Mr. Galanis does not point to
13 any evidence for this novel assertion, which, as the government
14 points out, directly contradicts Mr. Galanis's own claim at
15 trial that he was working for Burnham Securities.

16 But perhaps even more probative of Mr. Galanis's
17 fraudulent intent was the way in which this commission was
18 received by him. As explained in the Court's Rule 29 opinion,
19 these proceeds were not directly wired to the defendant but
20 instead sent to a front company called Sovereign Nations. In
21 turn, Mr. Galanis then directed distributions of the
22 \$2.35 million to both himself and family members through a fake
23 email account. For these reasons, and those more fully
24 explained in the Court's Rule 29 decision, the Court therefore
25 agrees with the government that Mr. Galanis was well aware that

J381gals

1 the bond's proceeds were misappropriated. It also follows that
2 Mr. Galanis was aware that the bond's investors would lose
3 whatever money they sank into this investment.

4 Because there's no dispute that this total investment
5 loss is between 25 million and 65 million, the Court will apply
6 the 22 levels to Mr. Galanis's sentence.

7 I also find that the two-level enhancement for ten or
8 more victims is appropriate in this case. In his sentencing
9 memorandum, Mr. Galanis contends that he should not be held
10 responsible for the Hughes and Atlantic clients' investments in
11 the WLCC bonds, as he had no direct relationship with these
12 investors. But again, I disagree. As I just explained,
13 Mr. Galanis was aware that the bonds were misappropriated and
14 that their subsequent investors would therefore lose whatever
15 they put into these investments. Nor does Mr. Galanis contest
16 that the subsequent investment victims numbered over ten
17 people. As a result, the Court will apply this two-level
18 enhancement to Mr. Galanis's sentence.

19 Finally, Mr. Galanis argues that he should be placed
20 in criminal history category II, not III, because he received
21 three points for his federal conviction in 1987 and three
22 points for his conviction in New York County for grand larceny
23 in 1988, which violates double jeopardy and due process because
24 these crimes should not have been prosecuted separately.

25 As the government correctly points out, however,

J381gals

1 Mr. Galanis has not received criminal history points for the
2 1987 federal conviction; rather, the three points he received
3 from the 1988 grand larceny conviction, combined with the three
4 points he received from the 2015 Geroval conviction, is what
5 yields a criminal history category of III.

6 All right. So those are my rulings with respect to
7 the guidelines calculation. As a result, I find that
8 Mr. Galanis's offense level is 31, his criminal history
9 category is III, and his recommended guidelines sentence is 135
10 to 168 months in prison.

11 Now as I said a moment ago, that range is only
12 advisory. Courts may impose a sentence outside of that range
13 based on one of two legal concepts -- a departure or a
14 variance. A departure allows for a sentence outside of the
15 advisory range based on some provision of the guidelines
16 themselves. As I understand it, you're moving for an actual
17 departure based on health conditions, is that correct?

18 MR. TOUGER: That is correct, your Honor.

19 THE COURT: And do you want to be heard further on
20 that?

21 MR. TOUGER: I thought we did deal with that in the
22 sentencing memorandum.

23 THE COURT: Okay. All right. I also just will note
24 that of course I also have the ability to impose a
25 nonguidelines sentence based on what we call variance, pursuant

J381gals

1 to the factors set forth in 18 United States Code Section
2 3553(a).

3 And now why don't I hear from the parties.

4 Would the government like to be heard.

5 MS. TEKEEI: Only very briefly, as your Honor sat
6 through a lengthy trial in this case and is very familiar with
7 the facts.

8 We just would like to note -- and again, the Court is
9 aware of this, but -- capping a lifetime of criminal conduct,
10 John Galanis played what can only be described as a critical
11 role in this scheme. He victimized one of the poorest Native
12 American tribes in the country by causing them to issue bonds;
13 he promised them money for needed tribal development projects
14 and guaranteed them the ability to repay investors in those
15 bonds through a secure annuity. And then he defrauded the
16 investors, the pension fund investors in those bonds -- pension
17 funds that were held for the benefit of thousands of
18 hard-working people, by allowing their money to be invested in
19 bonds he knew were ultimately worthless.

20 For his conduct in this case, and in light of his
21 extensive criminal history, and the 3553(a) factors that we've
22 discussed in our submission, we seek a guidelines range
23 sentence in this case.

24 THE COURT: All right. Thank you.

25 Would any victims like to be heard today, Ms. Tekeei?

J381gals

1 Would any victims like to be heard today?

2 MS. TEKEEI: Your Honor, victims have already
3 submitted letters. There are none here today that I'm aware
4 of.

5 THE COURT: Thank you.

6 Would you like to be heard now, Mr. Touger?

7 MR. TOUGER: Yes, your Honor.

8 Actually, if it would be okay with the Court, could
9 Mr. Galanis speak first and I'll speak after?

10 THE COURT: Sure.

11 Yes, Mr. Galanis. You are free to say what you'd like
12 to say today.

13 THE DEFENDANT: Thank you, your Honor. And good
14 afternoon.

15 THE COURT: Good afternoon.

16 THE DEFENDANT: Give me one moment, your Honor. I'm
17 sorry. I need to --

18 Hopefully this plea is not too late to have you
19 consider what I say. Your decision under Rule 29 was clear on
20 what you thought happened. Your findings meant you did not
21 accept Jason's letter saying he did not tell me of his plan to
22 divert the bond proceeds and the other misinformation that he
23 gave me. That leaves me pleading for leniency and hoping to
24 show you why my failures as a father resulted in this case.

25 At trial, to preserve the 404(b) ruling, I made a

J381gals

1 decision not to put on an affirmative defense, which would have
2 helped show why I was fooled. However, my being fooled does
3 not mean I do not acknowledge or accept your conscientious
4 objection jury charge, which pointed out that my blissful
5 ignorance is not a defense. I fully realize that through my
6 actions over 50 years ago, I lost receiving the benefit of the
7 doubt that you rightfully afforded to Mr. Archer. Your doubts
8 will not evaporate with my explanations today, but I hope you
9 hear them in mitigation of my actions. However, if you would
10 consider leniency, because I want to show you the emotional
11 aspects of my family's actions in this matter.

12 Often my history creates a negative judgment, but I
13 ask you to look at it differently, maybe as Judge Brieant saw
14 me and ruled that I deluded myself into believing that my acts
15 were legal in the complex case he decided that were before him.
16 I testified to over a week at that trial, and a jury was out
17 for over nine days. My conscious avoidance of Jason's actions
18 is not unlike Judge Brieant's description of my deluding
19 myself. I grant my guilt is a distinction without a
20 difference, but I want you and my family to know that I am
21 foolish, not larcenous.

22 I make these statements not only for you today but
23 also for my wife of 50 years, so she knows I did not lead our
24 son astray. As Tolstoy wrote, all happy families are happy in
25 the same way, and all unhappy families are unhappy in a

J381gals

1 different way. My sentencing submission focused on why my
2 child became unhappy with me, which caused unhappiness in my
3 family. His warranted lack of trust and confidence in me
4 resulted in this case. Even though I did not know his plan for
5 the bond proceeds, I must and do take responsibility for his
6 actions. Ultimately it was my fault he did not trust me. I
7 did not fault him -- I do not fault him for his rebuke of me.
8 However, he is right but for the wrong reason. The reason
9 should have been by not rejecting -- that he should have been
10 angry at me for not rejecting his Gerova plan. I was not the
11 father that had advised him for years on how to avoid problems.
12 I failed him. Despite my loving him, I let him hurt himself
13 and others.

14 There may be many reasons unknown to me why he changed
15 our relationship after 2011, but one thing remains undeniably
16 clear at this point. He stopped introducing me to his friends
17 and business associates, and there was never any further family
18 events at which I was invited. Jason -- goes to Jason's lack
19 of trust. Jason had a very logical reason for not confiding in
20 me about his business plans. And his attorneys had maintained
21 that his actions in Gerova were part of an immunity agreement
22 with the Central District of California. That immunity
23 agreement was contingent on truthful disclosure. Jason never
24 disclosed me or my role in Gerova. I told Jason if there was
25 an incident -- I'm sorry -- if there was an indictment, I would

J381gals

1 seek to exonerate his brother Jared. As biblical Jacob created
2 envy amongst Joseph's brothers by giving him a multicolored
3 coat, I showed Jason that he could not trust me to protect him
4 over his -- over his brother. His lawyers knew of my position
5 and were constantly worried, because when I proffered Jared's
6 innocence, I might also discuss his then-current activities. I
7 limited my proffer to exonerating Jared, but this was after all
8 the bond activity had occurred, so Jason never knew that I
9 couldn't -- could not have talked about him.

10 Mr. McMillan's testimony verified in 2011 the change
11 in Jason's and my relationship. I asked Mr. McMillan not to
12 allow Jason in that year to control any accounts he ran for me.
13 On the stand, if you remember, he was willing to go further in
14 describing the issues but was stopped over concern of violating
15 the 404(b) ruling.

16 Brings up: Why did I trust Jason? As to his plan on
17 Gerova, I accepted his explanation that his illegal acts were
18 desperate, were to save a cash-rich -- pardon me -- a cash-poor
19 but asset-rich company. He admitted desperation could make him
20 commit illegal acts, but there was no hint of desperation in
21 his discussions about Wealth-Assurance. When I looked at
22 Wealth-Assurance, it was a very different company than Gerova.
23 It had a solid balance sheet, great auditors, and excellent
24 partners who listened to him. No doubt, Jason was a primary
25 architect of the Burnham roller plan, which everyone agrees on

J381gals

1 as thoroughly legal. I thought he had finally made his
2 fortune. And there was no temptation for him to do anything
3 illegal. Wealth-Assurance was not a cash-starved company, and
4 it had a fast-growing business.

5 An important factor for my going to Jason was he was
6 the only source in the securities industry I knew, after all my
7 time in prison. My relationship with Haynes and Shannon was
8 just starting. Ultimately my finances are probably what caused
9 me not to question his explanations after I learned who the
10 buyers for the second bond offering were, and that WAAG was not
11 going to be the issuer of the annuity. Also, I admit, I loved
12 and admired my son and wanted to believe that he had redeemed
13 himself. However, after the bond interest payment was late, I
14 knew there was something very wrong, with his actions and
15 ultimately mine.

16 Evidence which the government presented to determine
17 my guilt I believe deserves an entirely different conclusion.
18 The government's presentation is -- can be analogized to Lewis
19 Carroll's Alice in Wonderland, where statements where Humpty
20 Dumpty, in quotes, says, "A word is what I choose it to mean,
21 not what you think it to mean." The government's use of
22 evidence followed that same logic. Paraphrasing Mr. Carroll,
23 the government would have you believe evidence means what they
24 choose it to mean, not what it meant.

25 Please consider these arguments and my submissions on

J381gals

1 the evidence.

2 There is one overall question which casts a cloud of
3 doubt over the government's contentions. If I was Jason's
4 confidant and so close to him I knew the conspiracy from
5 inception, why did I know nothing about his illegal takeover of
6 Hughes and Atlantic? Is it logical? If I'm deeply embedded in
7 all aspects of the conspiracy, why not that one? That's the
8 most critical part of his plan. Hirst knew, Morton knew,
9 Dunkerley knew, Martin knew, but I didn't know, or certainly
10 the government would have named me in those charges.

11 Jason did not tell me of his plan to divert the money
12 or that there was not going to be a legal immunity because his
13 lawyers had convinced him I was betraying him with my
14 inevitable discussions about his breach of the immunity
15 agreement.

16 Giving a Humpty Dumpty-type claim, the government
17 maintains encryption was used on all emails until -- was used
18 in all emails, yet no encryption was used until after the
19 Gerova indictment on emails. Not shown were hundreds of emails
20 between Jason and I, Shannon and I, Haynes and I, all painting
21 a different picture. An example is Shannon's email which shows
22 I was not sent to Las Vegas by Jason targeting Raines; I was
23 sent by Shannon and Haynes to meet with their partner Ricen and
24 Stephen Haynes, and others at that meeting.

25 I ask you to put my submission statements and

J381gals

1 financial claims to the test. Call Shannon, Haynes, and Jason
2 to the sentencing hearing. Please do not leave me in the
3 position again which Judge Brieant had to write in his
4 sentencing results on me: "An injustice without a remedy."

5 I am sure you realize that any additional time I
6 receive today will result in being the equivalent of a life
7 sentence. I ask you not to consider -- I ask you to consider
8 all those extra years I spent in prison beyond what Judge
9 Brieant considered appropriate as a reason for a downward
10 departure in my sentence today. I ask you not to leave me in
11 the same position as when Judge Brieant's sentencing intention
12 was thwarted by nonjudicial factors, which greatly increased my
13 prison time. For example, even though I was a clear candidate
14 for the residential drug program, the BOP has rejected my
15 application.

16 I did not plan crimes. The work I was doing for the
17 Indians was exciting, fulfilling, and rewarding. My financial
18 background could have -- could have been put to good use with
19 Mr. Haynes and the Native Americans. Finally, despite my
20 background, I found a group that needed and wanted my help.
21 Most importantly, it was a group who would work with me, not
22 Jason. Yes, the first transaction was with him, but many
23 others were planned without him. Why else would Ricen never
24 have met Jason and Stephen Haynes had only had one short lunch?

25 I did not intentionally intend to defraud the WLCC.

J381gals

1 If I thought I was involved in an illegal scheme, does it make
2 sense I would have spent the majority of the commission on
3 professional fees for future projects with Haynes and the WLCC?
4 Those projects Jason was not involved in. I should have
5 paid -- yes, I should have paid more attention to the bond
6 transaction's due diligence, especially knowing that Jason had
7 taken shortcuts in Gerova.

8 I take exception to the view that -- the government's
9 view of me as a career criminal. My many references to Judge
10 Briant's findings is because of his involvement in all my
11 criminal cases. Having sentenced me in both my federal cases
12 and clearly stating the related state case should not have been
13 prosecuted separately, his later decision certainly made clear
14 he did not think of me as a career criminal. Yes, I've made
15 mistakes and take responsibility. I've also worked hard at
16 legal businesses with successes. My error is not to have
17 heeded the higher command of being a responsible parent,
18 properly instructing my children. I loved being a father, and
19 I hoped to be a parent who was respected and giving comfort and
20 protecting his children. I am heartbroken I failed my two
21 older sons. I did not stop Jason from committing a foolish
22 act, and he despised me for that lack of character. Why does
23 he hate me remains a mystery. He seems to have wanted me to
24 have gone into the illegal drug business. He wanted me to act
25 like a Mafia don. As I told him, that was a fool's role.

J381gals

1 What gives me solace is how tightly Chandra, my wife,
2 Jared and Jesse, my other sons, have stayed by me.

3 Now I must speak of the most humbling and painful part
4 of my request. Given my age, medical issues, my current
5 sentence reduces the likelihood I'll ever enjoy any of the
6 years with my wonderful granddaughter Olivia. There is a
7 sadness that at her same age, I had to have prison visits from
8 her father Jesse till he was 18. My wife now lives with family
9 to take care of Olivia while Jesse and his wife work. My wife
10 Chandra is a survivor of two onsets of breast cancer. The most
11 recent one resulted in a double mastectomy. I hope to be able
12 to be home to help her with Olivia. Before I came east for the
13 trial, last spring, Olivia came to visit me on a special
14 children's visiting day, which allowed us to play games, draw,
15 and walk around, unlike normal prison visits. We laughed as
16 she rode on my walker. Through the prison visiting windows, we
17 marveled the size of the container ships that were in Los
18 Angeles Harbor. We made up a story that the containers were
19 where Santa's helpers made presents. As the pelicans flew over
20 the ship, she asked why they flew in a straight line, not like
21 other birds. I will miss that wonderful part of raising a
22 child of where the questions are an endless joy. Yes, we had a
23 magical time, but the departure was heartbreaking. She lined
24 up to leave with my son and his beautiful wife, but ran back to
25 me, tugging at my arm, stamping her foot, demanding I come home

J381gals

1 now, Pappous. "Pappous" is grandfather for -- in Greek.
2 Whether I will meet this request depends on how you see my
3 culpability, consideration for my age, medical condition, and
4 many years spent in prison.

5 My medical issues are not idle speculation. My father
6 died at 69 of a heart condition brought on by diabetes and high
7 blood pressure. Both my grandfathers died of prostate cancer.
8 As my medical records show, I have all three of these
9 conditions. The possibility I could overcome these issues in
10 prison was unlikely if I did not prepare myself from my prior
11 experience. I believed if I undertook a healthy living
12 program, eating correctly, exercising daily, with medical help,
13 I expected I would be able to live out my sentence.

14 Graciously, Judge Castel allowed me time before
15 surrendering to have two major surgeries to restore my maximal
16 ability to implement my healthy living program. Unfortunately,
17 much about prison medical department and food services has
18 changed. The situation about my orthopedic shoes mentioned in
19 the submission proves the old adage: For want of a horseshoe
20 nail, the kingdom was lost. In my case, it was for want of --
21 my mobility was lost, for want of shoes. Confined now to a
22 wheelchair, the exercise that was part of my program to
23 moderating diabetes and blood pressure is gone. Exacerbating
24 the problem, the prison food has gone from balanced meals with
25 fresh vegetables to meals high in glycemic index carbohydrates.

J381gals

1 Please understand, this is not from deliberate indifference of
2 the prison. It's reality of the aging prison population,
3 putting a budgetary strain on the BOP's resources. I hope you
4 can see from my respectful dealing with the van accident, I do
5 not cast blame on others for my difficulties. I accept that
6 life is not free from the unavoidable, and I try not to be
7 judgmental.

8 Because all of those factors I have described, please
9 consider, is my role knowingly, or, as I maintain, unwittingly
10 assisting Jason worthy of a life sentence? Whatever your
11 decision, I wish to thank the Court for its gracious
12 accommodation made because of my handicap before and during
13 trial. If today's sentence could, as President Lincoln
14 advocated, bear the richer fruit of mercy rather than strict
15 justice, it would allow me to return to my wife, help heal my
16 family, and entertain Olivia.

17 Thank you, your Honor.

18 THE COURT: Thank you.

19 Mr. Touger?

20 MR. TOUGER: Thank you, your Honor.

21 Your Honor, this case teaches me a lesson that I've
22 learned many times in my career, that there are always two
23 sides to a coin, and depending on what side you're on, that's
24 how you're going to read the evidence in this case.

25 But I attached to my sentencing submission an email

J381gals

1 from Mr. Pete Shannon. This was written long before the trial.
2 No way anybody could argue that it was made up to combat
3 evidence at the trial or anything else. That memo, that email
4 puts, in my mind, a hole in the government's case that they
5 cannot fill. That email says quite specifically that he wants
6 John Galanis to go meet up with Mr. Haynes and Mr. Raines.
7 This is not, your Honor, Jason Galanis sending him to Las
8 Vegas. This is not anything to do with Jason Galanis.
9 Mr. Galanis met Mr. Shannon by his friend Mike Murphy, they
10 spoke, they came up with an idea, and they tried to implement
11 it. There is no credible argument that can be raised against
12 that email. Mr. Shannon takes so much credit for the idea that
13 at the end of that email, you'll notice he wants -- he finds
14 out that they made money and he wants a commission because it
15 was his idea. So that puts the first hesitancy to adopt the
16 government's idea that Mr. Galanis was working with Jason from
17 the very beginning in this case in targeting the Wakpamni.

18 It leads us next to the meeting itself, and the
19 statements that were just mentioned that John Galanis
20 misinformed the WLCC representatives to get them to go along
21 with the bond idea by saying that Jason Galanis worked at
22 Burnham. As we've always said, objectively, that is a lie.
23 Subjectively, it means it's a lie with no difference. There is
24 no argument that is raised by the government, the Court, or
25 anybody else that Jason Galanis controlled how Burnham would

J381gals

1 invest their money. So if you're not familiar with -- if
2 you're looking from the outside and you're not familiar exactly
3 with how everything is working out, and Jason calls up his
4 father and says, yeah, I can get this done, it's not
5 unreasonable for John Galanis to tell them, he's working at
6 Burnham. Whether he was working at Burnham or not, he
7 controlled Burnham. That statement was not false in what it
8 was being made to do. The idea was, he was telling WLCC, if we
9 go ahead with this idea, I have somebody who can push it
10 through, the bond thing through. That is not a lie. That was
11 a true fact. That was proved out by the evidence itself.

12 The next argument is that somehow that if John were
13 sent there by Jason, that after the meeting is over, John never
14 talks to the representatives for six weeks. Now you might not
15 know John Galanis as well as I do, but I think you can rest
16 assured from the emails you saw during the trial, John Galanis
17 would never let anybody go six weeks without hearing from him
18 if he wanted him to do something. That's an impossibility for
19 John Galanis. I've represented John Galanis for years now. I
20 hear from him every day. If he wants something, he makes it
21 perfectly clear how he wants to get it done and keeps coming
22 forward, listening to your ideas, coming back with other ideas.
23 That's John Galanis. John Galanis is sent to that meeting by
24 Jason Galanis to convince them to do something, does not go six
25 weeks without talking to those people after the meeting.

J381gals

1 THE COURT: Are you asking me to reconsider my
2 decision on your motions?

3 MR. TOUGER: No, your Honor. What I'm trying to
4 outline to you is, you have a very difficult job here, to come
5 up with a just sentence, and the just sentence has to be based
6 on what somebody did to make them guilty of this crime. If you
7 really believe that John Galanis was working with Jason from
8 the very beginning and this whole thing was laid out by the two
9 of them to sell the bonds from the Wakpamni and pocket the
10 money, then you should give John Galanis one sentence.
11 However, if you believe that in the beginning of this matter
12 that John Galanis was not working with Jason, that John Galanis
13 sought out Jason for the very purpose of -- he was the only one
14 he knew who could possibly sell these bonds, and didn't know
15 that these bonds were a falsity and a fake, and that Jason was
16 just going to steal the money, if he doesn't know that from the
17 beginning, he should get a different sentence. And that's why
18 I'm outlining --

19 THE COURT: If I thought someone was innocent of
20 crimes, we wouldn't be at sentencing.

21 MR. TOUGER: I'm not even saying he's innocent of a
22 crime, your Honor. It's when his guilt came into effect. We
23 have never argued -- we understand that after, when we
24 figured -- I shouldn't say "we" -- when Mr. Galanis figured out
25 that something was wrong here and improper, that we didn't come

J381gals

1 forward and say stop, we didn't divorce ourselves from the
2 proceedings, we kept going. We acknowledged our criminal
3 conduct at that point. But that point happened after the first
4 tranche of bonds was done. It doesn't mean he's not criminally
5 responsible. Conscious avoidance, as I wrote in my sentencing
6 submission, makes him criminally responsible. That is a
7 federal charge of law, that is federal law, and that makes him
8 responsible. But there is a sentence on somebody who is
9 consciously avoiding figuring out a crime or somebody who
10 actively began, maintained, and completed a crime; it's a
11 completely different animal. And that's why I'm putting this
12 to the Court.

13 What's also interesting, your Honor, is that as Tim
14 Anderson testified, it was his idea, and only his idea, to send
15 out the whole Wakpamni bond deals. He did that two weeks after
16 the meeting in Las Vegas. And what's also important for this
17 Court to remember is that Mr. Anderson testified that once the
18 bond idea was accepted by all parties, Mr. Galanis basically
19 dropped out of the picture and Jason Galanis took control. So
20 that's another aspect that just flies in the face of what John
21 Galanis is as a person. If John Galanis was part of this and
22 this was his plan, he would not have dropped out of any
23 picture.

24 Which leads us to the commission, and there are two
25 things that everybody and the government hammered on in their

J381gals

1 summations, and it's hammered on in their submissions, which
2 is: (1) the meeting, the false statements in Las Vegas; and (2)
3 the commission. At the trial -- and the Court in its Rule 29
4 motion also. There is no doubt his commission is higher than
5 anybody else's. That's a fact. We can't argue with that.
6 That's a fact. There's also no doubt, as stated by the
7 government's witnesses at trial, that was a perfectly
8 legitimate commission based on the amount of money that was
9 involved here. The government's argument, as you stated
10 previously, that this had to be -- if it was legitimate, it
11 would have been put in the bond papers. That money was not
12 coming out of the bond payments. There is no reason to put it
13 in the bond payments. That money was coming from the
14 organization that was getting the bond money. That's who owed
15 the commission, and nobody else. They weren't making the
16 Wakpamni pay for it. They weren't making the investors in the
17 bond pay for it. They had to pay for it and therefore they
18 didn't have to reveal it to anybody. And that's how the
19 business works. This is not individual to this case. That's
20 the normal operating procedure of this business. If you're
21 being paid by the person who's making the money and it's not
22 coming out of the bond proceeds, you don't need to tell anybody
23 else that you're paying it, because nobody else is paying it.

24 What's also interesting is that the Court has
25 amplified, and the government amplifies in their summation,

J381gals

1 that it was Sovereign Nations, it wasn't John Galanis. Why
2 would John Galanis take the \$2.3 million into his personal bank
3 account if he knew that that money was not all going to him?
4 Most of that money, well over half of that money, went back to
5 try to start the other Wakpamni investments, such as the fire,
6 the fire, the water, and all these other programs that they
7 were trying to do, and the athletic organization.

8 And then, the most important part of the Sovereign
9 Nations testimony is the testimony of Mr. McMillan, who
10 testified that there was a break in the relationship of Jason
11 and John Galanis in 2011. And that in and of itself shows that
12 there was no reason for Jason to trust John Galanis anymore,
13 and I won't go into any more depth than that because that's
14 covered completely in my submission.

15 What's interesting is the testimony of Mr. Dunkerley
16 during the trial that Jason only gave everybody the knowledge
17 they deserved or needed to have, and that he didn't know
18 everything that was going on. But he knew all about the
19 purchase of Ms. Morton's company. He knew it was happening.
20 John Galanis didn't know; we know that. Mr. Hirst knew; we
21 know that. Ms. Morton knew, obviously, but John Galanis didn't
22 know. So if he was, again, this mastermind of this conspiracy
23 from the very beginning, why wouldn't he know anything about
24 this most important part? Because this is where they were
25 getting the buyers of the bonds. It just doesn't make sense.

J381gals

1 But this is all dealt with in great detail in my submission, so
2 I just wanted to emphasize those points.

3 I'd like to now turn to Mr. Galanis's health. Whether
4 the Court wants to deal with it as a departure or just as
5 reasons why, as a variance, the Court can choose that way, but
6 I just hope that the Court deals with this issue.

7 The average life span of an American male right now is
8 79 years old. Mr. Galanis has passed that age. He's not an
9 average American male. He has high blood pressure, he has
10 plaque build-up, he has prostate issues, he has diabetes, he
11 has renal disease --

12 THE COURT: He's 75 now, correct?

13 MR. TOUGER: Excuse me. I meant we're past that on
14 the original sentence. I'm sorry. He will pass 79 based on
15 the sentence he has in Gerova. I'm sorry.

16 He has joint deterioration, he has hearing issues, and
17 a myriad of other problems. And he's not outside in the
18 American public with doctors dealing with that issue. It is
19 unbelievable to me that the Bureau of Prisons couldn't even get
20 him a pair of shoes. He has now been in custody for over a
21 year, and he still doesn't have a pair of shoes. A simple pair
22 of orthopedic shoes. A pair of orthopedic shoes, you must
23 understand, that he came into the jail system wearing and they
24 refused to allow him to take in, saying, oh, don't worry, we'll
25 get you those shoes. A pair of shoes, I might add, that he's

J381gals

1 offered to pay for and they say, no, we'll get you those shoes.
2 The lack of those shoes has proved one thing and has done
3 another. The lack of those shoes has put Mr. Galanis in the
4 wheelchair. That's the effect of it. And what it proves, your
5 Honor, is they will not take care of any of these other issues
6 that have been caused either by that lack of shoes or been
7 exacerbated by that lack of shoes. So there is no doubt that
8 Mr. Galanis's life span expectancy is going to be less than the
9 average American male.

10 THE COURT: Even if I'm sympathetic to the health
11 concerns, how should I factor in the fact that he committed
12 this crime in his 70s, committed the Gerova crime in his late
13 60s, when he already had some of these health conditions?

14 MR. TOUGER: The way you can factor that in, your
15 Honor, is that as far as the Gerova crime, you have our
16 sentencing memorandum in that, so I'm not going to go into a
17 long explanation of why that occurred. So the Court has proven
18 many things to this lawyer. One thing this Court has proven to
19 this lawyer is that you read everything you've gotten and you
20 understand it, so I'm not going to go into that theory. The
21 Gerova case is totally separate and distinct from this case, as
22 far as why they occurred.

23 Mr. Galanis did not come into this case committing a
24 crime, and I guess that's where we have a distinction, your
25 Honor, is, Mr. Galanis went into this case as a way, in

J381gals

1 essence, really, to top off a career that began before he
2 committed criminal conduct and go back and help out the Native
3 American tribes. There is no doubt in my mind that Mr. Galanis
4 did not go into this to rip off the Native American tribe in
5 Wakpamni. There is no doubt in my mind. I have talked to
6 those people, and there is no doubt in my mind. So he did not
7 commit a crime in his 70s. He committed conscious avoidance
8 and he committed -- later, when it became known to him, he
9 didn't get Jason to stop this, but there was no going, in my
10 mid 70s, I need to commit a crime. That did not occur.

11 And the way you can factor it in, your Honor, is --
12 I'm not going to sit here and argue -- or stand here and argue
13 to you that you should not give him any time for this case.
14 While I feel any time you give him just magnifies and increases
15 his chances of dying in jail, I understand that this Court has
16 to give him some time. The Court has given Mr. Hirst -- or
17 Dr. Hirst, I should say -- three years, consecutive.

18 THE COURT: Three years consecutive.

19 MR. TOUGER: Consecutive. In my mind, Mr. Galanis's
20 conduct is less than Dr. Hirst's conduct in this case, and
21 that's what I'm using sort of as my bar to be set. Because
22 Dr. Hirst also had the Gerova conviction, also is a man of
23 age --

24 THE COURT: He doesn't have as many prior convictions.

25 MR. TOUGER: He doesn't have the record. I was just

J381gals

1 going to say that.

2 THE COURT: He hasn't been committing crimes since the
3 '70s, when Richard Nixon was president.

4 MR. TOUGER: Well, that's a statement that is true
5 factually, but he spent 17 of those years in jail. He wasn't
6 committing crimes for the last 40 years, your Honor. He
7 committed a crime that led to multiple prosecutions that even a
8 judge of this court said were all related in and of itself. He
9 spent 17 years in jail for those crimes. And the only two
10 crimes he's committed since then, your Honor, are the Gerova
11 crime, which we've explained, and this crime. So this is not a
12 man -- I know that the government wants to paint this man as a
13 man who, all he's done his entire life is commit crime. That's
14 not true. Yes, he has convictions from the 1970s and 1980s
15 that were basically one criminal conduct that he got 17 years
16 for, and then there's two other crimes, the Gerova and this.

17 In this case, Dr. Hirst knew exactly what he was
18 doing. There is no way anybody could argue otherwise. He was
19 an employee of Ms. Morton's company when they bought it. He
20 convinced employees of that company that this was the right
21 thing to do to buy these bonds. He signed the bond purchase.
22 There is no way he can argue -- and I don't believe he has
23 argued, as he pled guilty before trial -- that he did not
24 commit those acts knowingly. His signature is on the purchase
25 of the bonds. Mr. Galanis was not involved in that at all. I

J381gals

1 think that is admitted by everybody. Mr. Galanis's main role
2 here, even if you give him a role, was to bring the Wakpamni to
3 the table with Jason. Even if you want to say that that was
4 his role and that's what he was sent out to do, that's all he
5 did. He did not force the Wakpamni to do anything, he did not
6 take any money from the Wakpamni, and the Wakpamni, as we have
7 shown, has not lost a penny from this. They have gained a
8 building, they have gained the money they got, and nobody has
9 come to them asking them for the \$65 million. And nobody ever
10 will. So I believe Mr. Hirst's -- Dr. Hirst's conduct was
11 beyond that of John Galanis, and therefore, his sentence in
12 this case, especially with the health issues he has, and the
13 fact that we already know, from BOP already rejecting him from
14 the drug program, that he's going to do the time the Court
15 sentences him to -- he's not getting a year off. Even with the
16 new legislation that has just been implemented -- I just went
17 to a CLE on that -- he's not going to get the benefit of any of
18 those programs. He's not safety valve eligible. None of those
19 programs -- especially now that he's not getting the drug
20 program -- will help him. Every day that you sentence him to,
21 he's going to do 85 percent of that time. So every day that
22 this Court gives him, he's doing.

23 And therefore, your Honor, I would ask that you give
24 him a sentence less than Dr. Hirst, as far as consecutive to
25 the sentence --

J381gals

1 THE COURT: I'll just note for the record, Gary Hirst
2 got a sentence of 96 months in prison, with 36 months to run
3 consecutive to the sentence on Gerova.

4 MR. TOUGER: Yes. And my only request, your Honor,
5 is, based on everything you know and the sentencing submissions
6 you have, that John Galanis deserves a sentence less than
7 Dr. Hirst.

8 THE COURT: Thank you.

9 Is there any reason why sentence cannot be imposed at
10 this time?

11 MS. TEKEEI: No, your Honor.

12 MR. TOUGER: No, your Honor.

13 THE COURT: All right. So I'm required to consider
14 the advisory guidelines range of 135 to 168 months, as well as
15 various other factors that are outlined in a provision of the
16 law, 18 United States Code Section 3553(a), and I have done so.
17 Those factors include, but are not limited to, the nature and
18 circumstances of the offense and the personal history and
19 characteristics of the defendant, because every defendant must
20 be considered individually as a person.

21 Judges are also required to consider the need for the
22 sentence imposed to reflect the seriousness of the offense, to
23 promote respect for the law, provide just punishment for the
24 offense, afford adequate deterrence to criminal conduct,
25 protect the public from future crimes of the defendant, and

J381gals

1 avoid unwarranted sentencing disparities, among other things.

2 Mr. Galanis, you have been defrauding people and
3 entities for well over 40 years. That is nothing short of
4 extraordinary. Many of the crimes that resulted in conviction
5 were in this very court, either in Manhattan or in White
6 Plains. Your first conviction, as I noted a moment ago, was in
7 this court back in 1973, for mail fraud and conspiracy to make
8 false statements to the SEC. You were convicted in this court
9 again in 1987 for a conspiracy to defraud the IRS. Tax fraud,
10 RICO, securities fraud, bank fraud, and bribery. And after
11 receiving a very lengthy sentence in another conviction in
12 state court, you were again convicted in this court at the age
13 of 72 before Judge Castel for a securities fraud in the Gerova
14 case we've spoken a lot about.

15 And then there's the conduct in this case, which
16 Mr. Galanis continues to challenge but which I have no doubt
17 was proven beyond a reasonable doubt at a very lengthy trial by
18 the government.

19 There's no real dispute, in my view, about the
20 seriousness of the crime and the harm caused to one of the
21 poorest Native American tribes in the country, as well as the
22 clients of Hughes and Atlantic, pension funds held for the
23 benefit of transit workers, longshoremen, housing authority
24 workers, and city employees, among others. Over the course of
25 two years, Mr. Galanis helped steal more than \$40 million from

J381gals

1 numerous pension fund clients and left the Wakpamni Lake
2 Community Corporation without money for economic development
3 and owing more than \$60 million on the outstanding bonds.
4 2.35 million of the bond proceeds were sent to an entity
5 controlled by Mr. Galanis, who then used that money for, among
6 other things, jewelry, cars, hotels, and disbursements to
7 family members.

8 As I noted in my ruling on his application to apply
9 the minor role reduction, his involvement in this conspiracy in
10 my view was far from minor. So I've considered his role, I've
11 considered the number of victims impacted, and how they were
12 impacted.

13 As I noted, Mr. Galanis, now 75, has five prior
14 convictions, with criminal histories dating back to the 1970s,
15 mostly for fraud-related offenses.

16 You know, Mr. Galanis, I recall your son Jason. I
17 know you've had a complicated relationship, but I recall him at
18 sentencing describing what it was like growing up with a father
19 notorious for crimes. That's not the legacy most people seek.

20 A substantial sentence thus must be imposed to reflect
21 the seriousness of the offense, promote respect for the law,
22 provide just punishment for the offense, and afford adequate
23 deterrence, both to you, Mr. Galanis, and to others who may
24 seek to engage in similar conduct. Perhaps more than anything,
25 however, I need to protect the public from future crimes that

J381gals

1 you may commit. While most people are less likely to
2 recidivate as they get older, as I noted earlier, you committed
3 your last two crimes in your late 60s and your 70s, so that
4 assumption appears not to apply to you.

5 I have considered and am genuinely sympathetic to, and
6 I think you know tried to be throughout the trial and before,
7 Mr. Galanis's health problems, including his degenerative disc
8 disease, joint issues, spinal issues, prostate issues, high
9 blood pressure, hypertension, diabetes, among other ailments,
10 and I do take those medical conditions seriously, and if there
11 are any recommendations you want me to make on the judgment
12 that may assist in getting him the treatment he needs, I'm
13 happy to do that. But as the government points out,
14 Mr. Galanis committed this fraud at a time when many of these
15 conditions were already manifest and so he was fully aware of
16 the potential consequences on his health if he was punished for
17 his wrongdoing. I also believe that the BOP will be able to
18 handle Mr. Galanis's health issues, as they do with other
19 inmates who have conditions that he identifies. So I don't
20 think a departure is warranted for that reason. I have
21 considered it in the 3553(a) balancing, and as I said, I'm
22 happy to make any recommendation that may assist him going
23 forward.

24 Finally, I've considered all of the other arguments
25 Mr. Galanis has made, including the need to avoid unwarranted

J381gals

1 sentencing disparities.

2 I've read all of the letters submitted from his wife
3 and children.

4 And I am ready to impose sentence.

5 So Mr. Galanis, can you rise? If you can't, if it's
6 uncomfortable, you don't need to.

7 THE DEFENDANT: It would be a problem, your Honor.

8 THE COURT: In any event, if it's difficult for him,
9 there's no need to do that.

10 It is the judgment of this Court that you be committed
11 to the custody of the Bureau of Prisons for a term of 60 months
12 on Count One and 120 months on Count Two, to run concurrently
13 to one another. 48 of those months is to be served
14 consecutively to the sentence imposed by Judge Castel, and the
15 remainder of the sentence is to run concurrently to the
16 sentence imposed by Judge Castel.

17 That term of imprisonment shall be followed by a term
18 of supervised release of three years on each count, to run
19 concurrently.

20 I believe that this sentence is sufficient but not
21 greater than necessary to comply with the purposes of
22 sentencing set forth in the law.

23 So why don't we discuss the conditions of your
24 supervised release. The standard conditions of supervised
25 release shall apply. I'm not going to read them out loud.

J381gals

1 They're on page 47 to 48 of the presentence report. Unless you
2 want me to.

3 The mandatory conditions shall apply:

4 You must not commit another federal, state, or local
5 crime;

6 You must not unlawfully possess a controlled
7 substance;

8 You must refrain from any unlawful use of a controlled
9 substance;

10 You must submit to one drug test within 15 days of
11 release from imprisonment and at least two periodic drug tests
12 thereafter, as determined by the Court;

13 You must cooperate in the collection of DNA as
14 directed by the probation office; and

15 You must make restitution in accordance with the law.
16 And those provisions of the law are set forth on page 47.

17 In addition, in light of the nature of the crimes, I'm
18 going to impose the special conditions recommended by the
19 probation office:

20 You must provide the probation officer with access to
21 any requested financial information.

22 You must not incur new credit card charges or open
23 lines of credit without the approval of the probation officer
24 unless you're in compliance with the installment payment
25 schedule.

J381gals

1 And you'll be supervised in your district of
2 residence.

3 I decline to impose a fine in light of the forfeiture
4 and restitution that will be imposed.

5 I'm imposing the mandatory special assessment of \$200,
6 which shall be paid immediately.

7 So let's talk about restitution and forfeiture. Do
8 you have an objection, Mr. Touger, to the preliminary order of
9 forfeiture money judgment?

10 MR. TOUGER: Forfeiture? No.

11 THE COURT: So I'm ordering forfeiture in the amount
12 of -- the government's seeking the \$2,585,000, is that correct?

13 MS. TEKEEI: Yes, your Honor.

14 THE COURT: Yes. So I'm going to order forfeiture in
15 that amount, and I'm going to sign this order of forfeiture
16 money judgment, which will become part of the judgment in this
17 matter.

18 Now with respect to restitution, you have an objection
19 to the proposed restitution order, is that right, Mr. Touger?

20 MR. TOUGER: Yes, your Honor, based on the arguments
21 we've already put forth to the Court.

22 THE COURT: All right. Would the government like to
23 be heard.

24 MS. TEKEEI: Your Honor, as is clear in our submission
25 and as the Court has already held with respect to the loss

J381gals

1 amount, the full amount of the victims' losses can be directly
2 attributed to and foreseeable to Mr. John Galanis, and that is
3 why the restitution order covers the full amount of the
4 victims' losses, which is more than \$43 million.

5 THE COURT: I agree for the reasons that I've already
6 stated, so restitution shall be ordered in the amount of
7 \$43,785,176, as indicated in this order of restitution, which I
8 will sign and will also be made part of the judgment in this
9 matter.

10 Does either counsel know of any legal reason, other
11 than the ones that you've stated and I've rejected, why this
12 sentence cannot be imposed as stated?

13 MS. TEKEEI: No, your Honor.

14 MR. TOUGER: No, your Honor.

15 THE COURT: All right. That's the sentence of this
16 Court.

17 Mr. Galanis, you have a right to appeal your
18 conviction and sentence. If you do choose to appeal, the
19 notice of appeal must be filed within 14 days of the judgment
20 of conviction. If you're not able to pay the cost of an
21 appeal, you may apply for leave to appeal *in forma pauperis*,
22 which simply means that court costs, such as filing fees, will
23 be waived. If you request, the clerk of court will prepare a
24 notice of appeal and file it on your behalf.

25 Are there any open counts or underlying indictments?

J381gals

1 MS. TEKEEI: There are underlying indictments, your
2 Honor, and we move to dismiss them at this time.

3 THE COURT: They shall be dismissed.

4 Is there any recommendation you want me to make with
5 respect to housing or medical condition?

6 MR. TOUGER: Two things, your Honor.

7 One, I would ask -- I'm presuming that I will be doing
8 the appeal, and so if you could have BOP keep him at the MDC
9 for the next two months just so I can lay the preliminary
10 groundwork for the appeal with him before he goes, and then,
11 because that relates to my second request, is that he go back
12 to Terminal Island from whence he came and that you also
13 order --

14 THE COURT: How far away is that?

15 MR. TOUGER: It's in Los Angeles. That's where his
16 family is, and that's where he was, at the medical -- it's the
17 medical facility for the West Coast.

18 THE COURT: Okay.

19 MR. TOUGER: And also, your Honor, if you remember,
20 you had put an order that he be flown from LA to here for the
21 trial because of his medical conditions. We'd ask that you put
22 that same order in, that he be flown back to Los Angeles and
23 not go on the bus trips across the country.

24 THE COURT: Yes. Is there an order you need to submit
25 to me to that effect?

J381gals

1 MR. GRAND: I will submit it.

2 THE COURT: Please submit that.

3 I will make the other two recommendations in the
4 judgment.

5 MR. TOUGER: Thank you, your Honor.

6 THE COURT: Are there any other applications at this
7 time?

8 MS. TEKEEI: Not from the government, your Honor.

9 MR. TOUGER: No, your Honor.

10 THE COURT: Thank you. We're adjourned.

11 MS. TEKEEI: Thank you, your Honor.

12 MR. TOUGER: Thank you.

13 o0o

14

15

16

17

18

19

20

21

22

23

24

25